Automotive News

August 11, 1986

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Brazil levies stiff new tax on purchases of cars, fuel

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — The Brazilian government has levied stiff surcharges on purchases of new and used cars — 30 percent on prices of new cars and 10 to 30 percent on used cars — as part of a package of measures aimed at reducing consumption and increasing savings.

There also is a surcharge of 28 percent on gasoline and its substitute, alcohol fuel.

The deposits will go into the new National Development Fund and are to be used to finance economic growth.

The surcharges actually are taxes. They will be returned in the form of government "bonds" after three years, adjusted for inflation. But the "bonds" cannot be redeemed for cash.

On car purchases, the "bonds" will go to individual buyers. On motor fuel, the bonds will be issued on an average-per-consumer basis — the amount collected divided by the number of cars.

The surcharges went into effect July 24.

The measures are expected to inhibit demand for autos in the short term, but industry sources were reluctant to make any projections.

"It will take 30 to 60 days for us to have an idea how the market is reacting," said a spokesman for the National Association of Automotive Vehicle Manufacturers (ANFAVEA).

He said that demand had been so high prior to the surcharges that many dealers had illegally charged fees above their markup — that is, charging more than what would be the sticker price in the United States — so that "a compulsory deposit instead of a non-returnable illegal dealer markup may not be much of a discouragement."

But the surcharges are not expected to improve the outlook for automakers in Brazil, where the government has frozen prices, suppliers and dealers are reluctant to take a cut in returns and labor is increasing its demands.

The automakers, meanwhile, cite a need to invest heavily for what all manufacturers see as a major export market.

Some 12,000 unfinished vehicles stand in the yards of Brazil's auto and truck manufacturers awaiting parts. Buyers must wait five months for a new car and two months for a truck. Many dealers refuse to accept orders.

At the same time, "the best the country's automakers can expect this year is to break even," according to Andre Beer, vice-presi-

see BRAZIL, page 30

EUROPEAN SALES — 1986 vs. 1985

Manufacturer	6 mos., 1986	1986 market share	6 mos., 1985	Volume: Pct. gain or loss from 1985
VW-Audi-Seat	696,900	14.6	812,600	+10.6
Fiat Auto	799,000	13.0	727,600	+ 9.8
Japan (all)	727,500	11.8	592,000	+22.9
Ford	712,500	11.6	684,100	+ 7.3
General Motors*	701,500	11.4	657,600	+ 6.7
PSA†	693,000	11.2	650,700	+ 6.5
Renault	609,500	9.9	620,700	– 1.8
Mercedes-Benz	223,000	3.6	203,100	+ 9.8
Rover	216,700	3.5	214,200	+ 1.2
Others	178,200	2.9	158,300	+12.6
BMW	161,000	2.6	156,300	+ 3.0
Volvo	143,500	2.3	139,400	+ 3.0
Alfa Romeo	96,500	1.6	91,400	+ 5.5
Total	6,160,800	100.0	5,688,000	+ 8.3

*Opel, Vauxhall, Isuzu
†Peugeot, Talbot, Citroen

Compiled from industry estimates

Volkswagen leads Europe in sales, heading for record

By Jean-Jacques Renaux
SPECIAL CORRESPONDENT

BRUSSELS, Belgium — The Volkswagen Group again was the sales leader in Europe during the first six months of this year, and the Japanese chalked up a gain of 22.9 percent, according to industry estimates compiled by Automotive News.

New-car sales in Europe totaled 6,160,800 for the first half, up 8.3 percent from 5,688,000 in the first six months of 1985. If sales continue at their first-half pace, 1986 will be a record year. The current mark is 10.64 million in 1985.

The VW Group, which includes Volkswagen, Audi and Seat, had

see EUROPE, page 44

Chevrolet considers $4,995 price tag for 1987 Chevette

By Michelle Krebs
FINANCIAL EDITOR

Chevrolet is considering a plan to market its 1987 Chevette in a manner similar to the way that Chrysler Corp. markets its Omni/Horizon America models but with an even lower price tag — $4,995.

Chevrolet has confirmed that the plan is being considered and said the price is in the $5,000 range. Automotive News sources put the sticker at $4,995.

The least-expensive 1986 Chevette is the two-door hatchback, which has a base price of $5,645. The base four-door is $5,959.

Chevrolet's consideration of an "America" program is a further indication that the battle for the small-car market is heating up, and the predicted price war has begun in earnest.

Auto analysts have said the battle for the U.S. small-car market will become more intense throughout the decade as more overseas companies bring in low-priced vehicles. Yugo kicked off the competition with its $3,990 Yugoslavian-built model. The South Korean-built Hyundai entered the fray last winter with its $4,995 Excel.

Japanese automakers, who have concentrated on the more profitable upscale markets in the recent years of import restraints, are taking another look at the small-car market. Sources say they are re-evaluating the pricing of their entry-level models.

U.S. manufacturers also have begun to fight the South Korean and Yugoslavian competition.

Chrysler announced last spring that it would offer America versions of its Omni and Horizon subcompacts to battle the low-priced foreign competition.

Chrysler billed the America models as the lowest-priced domestically built cars. They went on sale May 15 with a base price of $5,499, $710 less than the previous price. Chrysler since has announced a $300 price increase.

Like the Chrysler models, Chevrolet will offer limited options and limited color choices on the Chevette.

Pontiac dealers expect the Chevette's sister car, the Pontiac 1000, to have a base price a few hundred dollars more than the Chevette. The 1986 base prices for the 1000 are $5,749 for the two-door and $5,969 for the four-door.

The 1987 model year will be the last for the Chevette and 1000.

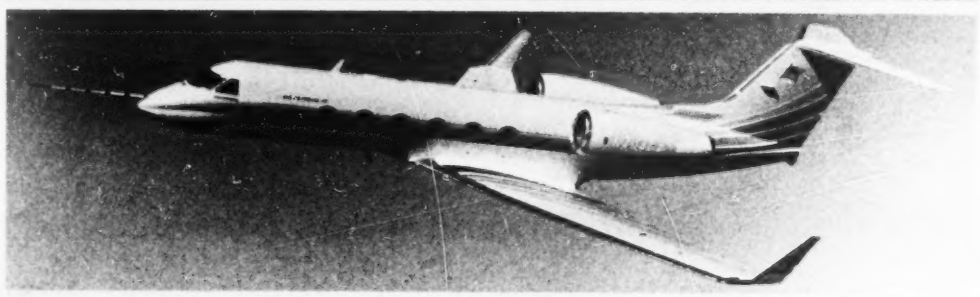
The Chevette was introduced in 1976 and had its best sales years during the recession. Its peak year was 1980 with sales of 369,180.

Sales for the 1986 calendar year to date are 41,985. The bulk of Chevette sales in 1986 were fleet sales for the daily rental market.

Chevrolet plans no direct replacement for the Chevette.

The Isuzu-built Spectrum and Suzuki-built Sprint will fill the void.

The Pontiac 1000 will replaced by the LeMans, an Opel-designed small car built by Daewoo Motor Co., General Motors' affiliate in South Korea. It will debut as a 1988 model.



A Gulfstream jet: Chrysler executives look for the aircraft subsidiary to help the corporation's automotive operations.

Chrysler optimistic on Gulfstream's future

By Mary Connelly
DETROIT REPORTER

In the year since Gulfstream Aerospace became a subsidiary of Chrysler Corp., executives of the auto company appear to have become even more bullish on the $637-million acquisition.

Gulfstream, a manufacturer of corporate and government aircraft, is based in Savannah, Ga.

In interviews, three top Chrysler executives said:

1. Chrysler expects to reap some benefits within the calendar year from an exchange between Gulfstream and the automaker's Huntsville, Ala., electronics operation. The Huntsville plant may do some electronics work for Gulfstream, thus developing Huntsville's military and defense presence.

2. Chrysler Capital Corp. has benefited through involvement in financing programs for Gulfstream planes and is developing a leasing program for Gulfstream customers.

see AIRCRAFT, page 22

Crash stats on Hyundai out of date

By Helen Kahn
WASHINGTON BUREAU CHIEF

WASHINGTON — Bad news for Hyundai is that in government high-speed crashes, the cars performed marginally in protecting the dummy on the driver's side but did very poorly in protecting the dummy on the passenger's side.

Good news for Hyundai and its customers is that between the time NHTSA bought its 1986 four-door sedan and got around to having it crashed, Hyundai changed the design of the belt system so the teeth grab the belt webbing instead of the belt-spool lockup. This makes the belt lock up faster during sudden deceleration such as would

see HYUNDAI, page 43

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...go officials deny ...oduction rumors Page 2

Business world taps auto execs as directors Page 6

Imports set record with 32% of July sales Page 46

Inventory is sliced but days' supply increases

By Kathy Boyer
DETROIT REPORTER

August opened with the lowest domestic new-car inventory in seven months, but the days' supply increased.

With several plants closed during July for model changeover, the stockpile of unsold cars on Aug. 1 decreased to 1,725,524.

The count hadn't been that low since Jan. 1, when 1,629,649 cars were reported.

The Aug. 1 inventory compares with 1,859,576 on July 1 and 1,579,595 on Aug. 1, 1985.

However, the Aug. 1 supply was 69 days, compared with 63 days a month earlier and 65 days a year earlier.

Four domestic manufacturers ran against the tide and experienced decreases in their days' supply: Chrysler Motors, Ford Motor Co., American Honda and Volkswagen of America.

Companies shared the Aug. 1 inventory as follows: General Motors, 62.40 percent; Ford, 20.09 percent; Chrysler, 14.58 percent; American Motors, 1.72 percent; Volkswagen, 1.01 percent; Honda, 0.19 percent; and Nissan, 0.01 percent.

On July 1, the split was: GM, 59.96 percent; Ford, 21.21 percent; Chrysler, 15.63 percent; AMC, 1.79 percent; Volkswagen, 1.14 percent; Honda, 0.26 percent; and Nissan, 0.01 percent.

The shares by size class on Aug. 1 were: subcompact, 17.64 percent; compact, 19.83 percent; intermediate, 37.74 percent; standard, 13.93 percent; and luxury, 10.86 percent.

One month earlier the percentages were: subcompact, 17.77 percent; compact, 20.82 percent; intermediate, 37.13 percent; standard, 13.52 percent; and luxury, 10.76 percent.

There was a 61-day supply of subcompacts on Aug. 1. Days' supplies by nameplate were: Accord, 6; Sentra, 21; Horizon, 25; Omni, 27; Escort, 49; Lynx, 63; Golf/GTI, 71; Nova, 81; Turismo, 87; Charger, 88; Daytona, 93; Chevette, 94; Fiero, 104; Pontiac 1000, 125; Laser, 148; Alliance, 150; Encore, 156; Sundance, 186; and Shadow, 216.

The supply of compact cars was 62 days: Mustang, 44; Sunbird, 47; Topaz, 49; Aries, 56; Reliant, 58; Cavalier, 59; Tempo, 60; Firebird, 66; LeBaron, 68; Camaro, 73; Capri, 74; Firenza, 76; Skyhawk, 117; Eagle, 117; and Cimarron, 127.

There was a 73-day supply of intermediates: Sable, 43; Grand Am, 47; Taurus, 50; Marquis, 51; LTD, 52; Calais, 52; Cougar, 54; Caravelle, 59; Cutlass Supreme, 63; Somerset Regal, 65; Celebrity, 71; Cutlass Ciera, 75; Thunderbird, 76; Dodge 600, 78; Bonneville, 85; Regal, 88; Century, 95; Monte Carlo, 97; LeBaron GTS, 101; Pontiac 6000, 104; Grand Prix, 108; Citation, 114; Lancer, 117; and New Yorker, 187.

The supply of standard-sized cars was 74 days: Grand Marquis, 45; Diplomat, 48; Crown Victoria, 49; Plymouth, 50; Parisienne, 62; Chevrolet, 67; LeSabre, 87; and Oldsmobile 88, 111.

There was an 80-day supply of luxury cars: Lincoln, 52; Fifth Avenue, 59; Continental, 63; Mark VII, 65; Oldsmobile 98, 74; Corvette, 76; Electra, 84; Cadillac, 85; Toronado, 142; Eldorado, 160; Riviera, 178; and Seville, 251.

Hoglund details pains of grooming B-O-C

By Michelle Krebs
FINANCIAL EDITOR

Since taking charge of the Buick-Oldsmobile-Cadillac Group in February, William Hoglund's first job has been to "cement" the last parts of the General Motors reorganization that began two years ago.

The B-O-C group is organized into seven business units: the three divisions — Buick, Oldsmobile and Cadillac — and four platform groups responsible for the design and manufacturing of their assigned platform cars.

Originally, each business unit was to be an individual profit center.

"We've been agonizing over the degree of autonomy of the business units," Hoglund said. "We finally came to the understanding that the group has to be the total business unit."

Hoglund said each unit still will have profit responsibility but not in a traditional return-on-investment sense because the business units have different functions.

"The marketing units have the exposure to the market, but they don't have the resource responsibility," Hoglund noted, "whereas the product teams have all the resource allocation responsibility, but they don't have the marketing."

The original thinking was that if each unit competed against each other for profits, it would maximize the profits of the entire B-O-C organization.

"That worked fine for a while," Hoglund said, "but now, the collaboration of the business units is far more important than the competition. It's that collaboration that we look for to maximize the profitability of B-O-C."

Hoglund said his next job is to work with the marketing divisions to focus their product programs and market direction.

All of GM's North American car divisions are involved in a market-segmentation and model-deproliferation program. The plan is designed to force the car divisions to compete against outsiders, not each other, and to reduce the number of models offered by GM to avoid confusion in the marketplace.

In addition to the product focus, Hoglund said, B-O-C looks for massive improvements in the effective use of resources — capital, people and time.

"The real key to our future is getting rid of the waste," Hoglund said. He estimated that GM has 25 percent waste in everything it does.

He noted that the competition pays that kind of attention to detail and has that same drive to eliminate waste.

"That's the mentality we've got to get," he said. "We're making great strides, but it's going to take a little longer than we thought."

GLENN TWEST

William Hoglund: "The real key to our future is getting rid of the waste."

B-O-C runs in red, Hoglund suggests

If General Motors' Buick-Oldsmobile-Cadillac Group were listed in the Fortune 500, it would rank ninth with $30 billion in annual sales.

As an independent company, B-O-C would follow American Telephone & Telegraph on this year's Fortune 500 list and would be ahead of E.I. du Pont de Nemours & Co.

William Hoglund, B-O-C group executive, intimated that B-O-C as a business unit is not yet profitable.

"We're going through some major start-ups and reorganizations," he said. "We sure as heck are going to be profitable."

Saturn plant to be phased in one step at a time

By Roger Rowand and Michelle Krebs
AUTOMOTIVE NEWS STAFF

General Motors' $3.5-billion Saturn plant, which eventually will be a fully integrated manufacturing complex, will be phased in rather than starting every segment at once.

GM President F. James McDonald, speaking at the University of Michigan's annual Management Briefing Seminar in Traverse City, Mich., said the assembly plant, foundry, sheet metal and plastics operations will be phased in rather than started simultaneously.

"It's crazy for anybody to think it would all open up at once," McDonald said. "You only have so much talent to work on a problem. If you're silly enough to create all those kinds of start-ups with the problems that exist, you put at risk every nickel you have invested there."

Suppliers involved with Saturn say a phase-in of the various manufacturing segments has always been the plan.

In addition, GM, following slow, problematic start-ups at its Detroit-Hamtramck and Buick City plants, has vowed to never again try to start every high-tech element of a new assembly plant at once. Rather, high-tech equipment will be phased in gradually.

F. James McDonald: "It's crazy for anybody to think it would all open up at once. You only have so much talent to work on a problem."

McDonald did acknowledge that GM is evaluating all aspects of its operations, including Saturn, to reduce costs and boost profitability.

Throughout the corporation, GM has been looking for ways to cut spending because of less-than-stellar profit performance in recent quarters and an industry slugfest forecast for the years ahead.

McDonald further confirmed that Saturn cars will be sold through a separate franchise system, as originally planned. Rumors have persisted that Saturn had scratched plans for a separate franchise system and had decided to sell the cars through Chevrolet and Pontiac dealers.

However, Saturn has a team of about a dozen GM dealers working on new ideas for distribution and selection of dealers.

Sources familiar with Saturn plans also deny persistent rumors that the car will be an econobox replacement for the Chevrolet Chevette, which will be discontinued after the 1987 model year.

Sources say the Saturn car will be sportier and more upscale than a traditional econobox.

GM has said the Saturn may not necessarily be its lowest-priced car. The Sprint likely will remain as GM's least expensive car, and Saturn may be second.

McDonald said the long-term production goal for Saturn remains at 500,000 cars a year.

INDEX

Auction reports	34-35
Classified advertising	36-43
Editorial page	10
Inventories	3
Obituaries	45
Personnel	28
Production by makes	47
Sales, car	46
Sales, truck	14
Truck highlights	14

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NEW-CAR STOCKS

	Aug. 1 '86	July 1 '86	Aug. 1 '85
Mercury	169	128	156
Escort	156	222	103
Total Renault	152	180	73
Yugo	117	118	107
Total AMC	117	118	107
AMERICAN MOTORS	148	146	116
Alliance	150	253	0
Encore	156	253	0
LeBaron	87	91	0
Reliant	58	49	0
Caravelle	59	52	103
Plymouth	50	50	72
Total Plymouth	52	49	72
Laser	148	148	0
LeBaron K	68	72	0
LeBaron GTS	101	139	0
Cordoba	0	0	0
Fifth Avenue	59	77	119
E-Class	0	0	0
New Yorker	187	186	123
Total Chrysler	78	85	58
Omni	27	27	44
Shadow	216	128	0
Charger	88	84	93
Daytona	93	84	88
Aries	56	58	72
Lancer	117	144	99
Dodge 400-600	0	0	0
Diplomat	48	58	64
Mirada	0	0	0
Dodge 600	78	80	103
Total Dodge	66	66	82
CHRYSLER CORP.	66	67	82
EXP	0	0	52
Escort	49	49	51
Mustang	44	45	37
Tempo	60	70	48
Taurus	50	44	0
Thunderbird	76	88	64
LTD	52	47	38
Crown Victoria	49	57	61
Total Ford Division	54	55	50
Lynx	63	71	85
Topaz	49	63	67
Sable	43	34	0
Cougar XR-7	54	58	58
Capri	74	93	86
Marquis	51	52	44
Grand Marquis	45	51	80
Total Mercury	51	52	57
Continental	63	71	62
Lincoln	52	57	51
Mark VII	65	70	44
Total Lincoln	55	60	52
Total L-M Division	52	54	56
FORD MOTOR CO.	53	55	52
Skyhawk	117	79	64
Skylark	0	0	44
Somerset Regal	65	42	105
Century	95	80	61
Regal	88	82	111
LeSabre	87	66	82
Electra	84	77	75
Riviera	178	187	78
Total Buick	90	73	72
Cimarron	127	98	110
Seville	251	224	97
Cadillac	85	77	72
Eldorado	160	164	81
Total Cadillac	103	90	78
Chevette	94	81	100
Nova	81	91	84
Cavalier	59	43	58
Citation	114	76	101
Camaro	73	63	70
Celebrity	71	58	51
Malibu	0	0	0
Monte Carlo	97	81	62
Chevrolet	67	59	63
Corvette	76	61	85
Total Chevrolet	72	60	65
Firenza	76	52	79
Omega	0	0	0
Calais	52	56	61
Cutlass Ciera	75	68	42
Cutlass Supreme	63	64	64
Olds 88	111	98	62
Olds 98	74	68	55
Toronado	142	186	91
Total Oldsmobile	81	75	58
Fiero	104	96	78
1000	125	121	86
Sunbird	47	47	70
Phoenix	0	0	0
Firebird	66	51	52
Grand Am	47	22	28
6000	104	78	65
Bonneville	85	79	96
Grand Prix	108	94	85
Parisienne	62	59	53
Total Pontiac	75	59	67
GENERAL MOTORS	79	67	68
VOLKSWAGEN	71	62	60
HONDA	6	7	11
NISSAN	21	19	35
DOMESTIC TOTAL	69	63	64
Subcompact	61	60	67
Compact	62	58	63
Intermediate	73	63	62
Standard	74	66	62
Luxury	66	73	71

Head-hunters for directors turn to auto companies

By Laura Clark
DETROIT REPORTER

When Kerr-McGee Corp., an Oklahoma City oil, natural gas and chemical company, wanted to add prestige to its board of directors, it looked to the auto industry.

After several months of searching, the company asked Chrysler Corp. Vice Chairman Bennett Bidwell to join the board.

Kerr-McGee is one of a growing number of non-automotive companies that have recruited auto executives for their boardrooms.

The exact number of automotive executives who sit on outside boards is unknown because the auto companies do not keep track of such data.

But companies that have successfully courted automotive executives for their boards range from personal products giant Procter & Gamble Co. to Dayton Hudson Corp., a large retailing chain.

"In the last 15 years, there has been a trend toward automotive executives sitting on the boards of profit-making companies," said a General Motors spokesman. "At one time, the automotive industry was criticized for having tunnel vision. Now, these executives are bringing back information from other companies."

GM's three top executives serve as directors of other firms. Chairman Roger Smith is a director of Johnson & Johnson; President F. James McDonald, is a director of H.J. Heinz Co. and Georgia-Pacific Corp.; and Vice Chairman Howard H. Kehrl is a director of Dayton Hudson Corp.

Marina Whitman, GM vice president and group executive of the Public Affairs Staffs Group, is a director of Manufacturers Hanover Corp. and Procter & Gamble. Elmer Johnson, GM vice president and general counsel, is a partner in Kirkland and Ellis, a Chicago law firm.

At Ford Motor Co., Vice Chairman William C. Ford is a director of Manufacturers National Bank and Manufacturer's National Corp.; and Vice President and General Counsel Henry R. Nolte is a director of First Federal of Michigan.

At Chrysler, in addition to Bidwell's association with Kerr-McGee, Vice Chairman Robert S. Miller serves on the board of Moore Oregon Lumber Co. of Coos Bay, Ore.; and Glenn White, vice president of personnel and organization, is a director of Zondervan Corp., a publishing and religious supply firm.

To avoid possible conflicts of interest, the four major U.S.-based automakers have set up guidelines governing what kinds of companies their employees may serve as directors.

Though the definition of conflict varies, one stipulation applies throughout the industry: No employee may serve on the board of a competitor.

"You wouldn't find one of our executives sitting on the board of Ford Motor Co., for example," said a Chrysler spokesman.

Conflict of interest policies are invoked when an automotive executive is asked to join the board of a firm that provides goods or services to his company.

"Obviously, if (the directorship) is with a supplier, you're representing the buyer and the seller and would not look at things objectively," said an American Motors spokesman.

AMC sees a conflict in its executives sitting on suppliers' boards, but a Chrysler spokesman said the extent of the relationship between Chrysler and the company would be taken into consideration.

"You really can't paint it with a broad brush, it depends on the supplier," the spokesman said.

Both Ford and GM spokesmen said an executive sitting on the board of a supplier would generally be considered a conflict of interest, although both companies said each case would be looked at individually.

At Ford, all requests to accept outside directorships must go through the vice president and general counsel, who has the authority to approve or deny the request.

At GM, such requests must be reviewed by the executive committee of the board of directors, which will either approve or turn down the request.

Before a Chrysler executive can accept a directorship outside the company, the request must be approved by a representative of the policy committee in his or her area of the corporation and by the vice president of personnel.

AMC's vice president of personnel and industrial relations reviews requests with the company's chief executive officer.

"If appropriate, they will go to the board to see if there is a conflict of interest, potential for a conflict of interest or if the time consumed would interfere with the officer's duties (at AMC)," said an AMC spokesman.

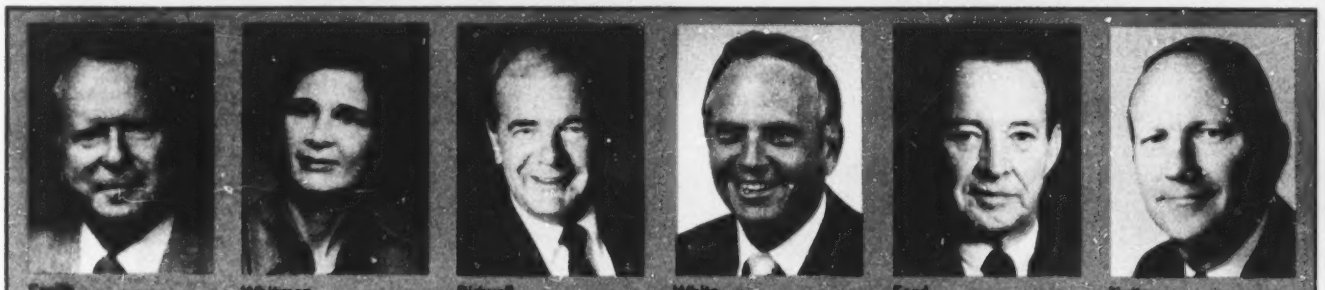
Currently no AMC top executive sits on the board of another company.

Auto executives serving as directors of outside companies receive an annual stipend and usually are paid an additional fee for each board meeting they attend.

For instance, Bidwell receives $12,000 annually from Kerr-McGee plus $500 for every meeting he attends, according to a Kerr-McGee spokesman. Smith receives $35,000 annually for sitting on the Johnson & Johnson board.

Whitman, the GM public affairs vice president, receives $16,000 plus $500 per meeting from Manufacturer's Hanover and $24,000 plus $900 per meeting from Procter & Gamble.

"I don't think they're doing it for the money," said a GM spokesman. "It gives them exposure and the opportunity to communicate with other executives."



SOME AUTO EXECUTIVES WHO HOLD OUTSIDE DIRECTORSHIPS

NAME	POSITION	OUTSIDE BOARD MEMBERSHIPS	FEES RECEIVED IN 1985
Roger Smith	General Motors chairman	Johnson & Johnson	$35,000
Marina Whitman	GM vice president	Manufacturers Hanover Corp. Procter & Gamble Co.	$16,000+ $24,000+
Bennett Bidwell	Chrysler Corp. vice chairman	Kerr-McGee Corp.	$12,000+
Glenn White	Chrysler Corp. vice president	Zondervan Corp.	$ 5,000+
William Clay Ford	Ford Motor Co. vice chairman	Manufacturers National Bank Manufacturers National Corp.	$ 5,000+ (total for both)
Henry Nolte	Ford Motor Co. vice president	First Federal of Michigan	$ 7,500+

GM appoints Mertz to head Buick

By Michelle Krebs
FINANCIAL EDITOR

General Motors has appointed a new general manager for Buick Motor Division in an apparent effort to halt sagging sales.

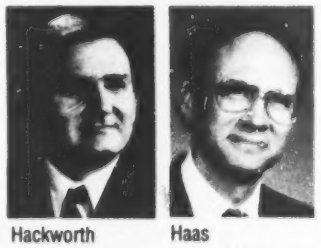
In an unusual move, Donald E. Hackworth, 49, who had been Buick general manager since January 1984, swapped jobs with Edward H. Mertz. Mertz, 49, had headed the Lansing Product Team, part of the Buick-Oldsmobile-Cadillac Group, since August 1985.

Mertz

Before joining the Lansing Product Team, Mertz had been Buick's chief engineer. With his appointment as Buick general manager, Mertz also was elected a GM vice president.

Hackworth has been a GM vice president since 1981, when he became general manager and president of GM of Canada Ltd.

The Lansing Product Team, which Hackworth now heads, is one of four B-O-C product teams.


Hackworth Haas

It is responsible for the design, engineering and manufacture of cars built from the J- and N-body platforms. The J-cars are the Chevrolet Cavalier, Pontiac Sunbird, Oldsmobile Firenza, Buick Skyhawk and Cadillac Cimarron. The N-cars are the Pontiac Grand Am, Oldsmobile Calais and Buick Somerset/Skylark.

A change at Buick had been a topic of speculation among industry insiders. Buick sales for the model year to date are off 20 percent from last year.

GM said the job switch should not be viewed as a demotion for Hackworth, even though his new job was not previously held by a GM vice president. The Lansing Product Team includes 50,000 employees.

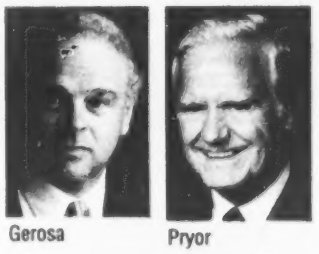
The move does present GM with a dilemma in that Hackworth is the only product team manager who is a GM vice president.

There have been rumblings within the product teams that team managers should have vice president status, as the division general managers have, because they are responsible for organizations that are at least as large.

When the B-O-C and Chevrolet-Pontiac-Canada groups were set up in GM's reorganization two years ago, there were plans to name the product team managers corporate vice presidents, but it never occurred.

GM also announced that Ronald H. Haas, 48, formerly chief engineer of the B-O-C Lansing Product Team, has been elected a GM vice president. He will head the Advanced Engineering Staff.

Haas replaces Robert J. Eaton, who earlier was promoted to group executive in charge of the technical staffs. Haas has held numerous assignments at Oldsmobile Division, ranging from senior project engineer to acting chief engineer.


Gerosa Pryor

Gerosa named

DETROIT — Peter R. Gerosa, 44, has been appointed general sales manager for Cadillac Motor Car Division. He succeeds L.B. "Braz" Pryor, 62, who will retire Dec. 31. Pryor will be on special assignment to Cadillac General Manager John O. Grettenberger until that time.

Gerosa formerly was assistant general sales manager for Oldsmobile Division. He has been in charge of sales in the eastern half of the United States since last March and before that was assistant general sales manager for dealer and marketing activities. Gerosa has been with Oldsmobile for 22 years.

Pryor joined Chevrolet in 1947. He has been with Cadillac since 1973 and has been general sales manager since 1978.

GM engineers leave California

LOS ANGELES — The engineering staff of General Motors' Advanced Concept Center has been transferred to Michigan, and the center is refocusing its efforts primarily on design, Automotive News has learned.

Some engineering staffers have been reassigned already; the others soon will be moving.

The ACC opened nearly three years ago in suburban Thousand Oaks. It was organized to blend design, research and engineering into a single think tank.

Henry Haga, ACC director, said that after the practical experience of having GM engineers working with the center, it has been decided to concentrate primarily on design and rely on outside engineering contracts and the facility's direct computer links with the GM Technical Center in Warren, Mich., to provide engineering support.

As a result, the 10 staff engineers and five support workers have been transferred, and ACC is planning to add to its staff of seven designers.

— Matt DeLorenzo

TRUCK INDUSTRY NEWS

July truck sales decline 4.7 pct.; year's total slips below '85 record

By Arthur Flax
AUTOMOTIVE NEWS STAFF

Truck sales stumbled in July after proceeding at a record pace through June.

In July, 419,106 trucks were sold in the United States, 4.7 percent below the record 439,729 sold a year-earlier.

Through July, 2,812,509 trucks were sold, 0.2 percent below the seven-month record of 2,818,412 set last year.

The sales counts are based on manufacturer's reports for light-duty sales and estimates of medium and heavy truck deliveries.

After setting records for June and for six months, sales in the light-duty segment in July fell 4.6 percent from the 1985 total. This year 396,664 Class 1-3 trucks were sold, compared with the record 415,664 a year earlier.

In the first seven months of 1986, a record 2,658,674 light trucks were sold, 0.3 percent above the previous record of 2,651,472 last year.

Of the light-duty manufacturers, Ford, Jeep and the imports reported sales increases for July and for the year. Sales declined for Chevrolet, Chrysler and GMC.

Ford light-duty sales were up 6.6 percent for July and 3.9 percent for the year; Jeep sales showed an increase of 9.1 percent for the month and 17.9 percent for the year; and import sales were up 6.7 percent for the month and 11.2 percent for the year.

Chevrolet light-duty sales were down 17.9 percent down for July and 4.5 percent for the year; Chrysler sales were down 16.1 percent for July and 13.9 percent for the year; and GMC sales were down 11.3 percent for the month and 2.2 percent for the year.

Sales of full-sized pickups declined appreciably. In July, 101,908 full-sized pickups were sold, down 27.8 percent from the 141,191 sold a year-earlier. Through July, the total was 692,088, down 16.6 percent from 830,035 in the first seven months of 1985.

In the medium-duty Class 4-6 segment, an estimated 4,651 trucks were sold in July, down 7.4 percent from 5,025 last year. Through July, 27,926 medium trucks were sold, down 13.6 percent from 32,335 in the first seven months of 1985.

In the heavy-duty Class 7-8 segment, an estimated 17,922 trucks were sold in July, down 5.9 percent from 19,040 last year. For the seven-month period, 125,909 heavy trucks were sold, down 6.5 percent from 134,605 in 1985.

New Freightliner truck test facility

Freightliner Corp. built this $1.2 million testing facility for trucks at Charlotte, N.C., adjacent to its Charlotte Technical Center. The 49,000-square-foot building will produce prototype parts and assemble prototype vehicles. The prototype assembly was previously handled by Freightliner's truck manufacturing plant in Mount Holly, N.C.

MAJOR MANUFACTURERS BY SEGMENT

	July		Year-to-Date	
	1986	1985	1986	1985
Light-Duty	112,685	105,707	783,411	734,916
Medium-Duty	3,930	4,304	25,287	27,349
Heavy-Duty	1,068	1,567	7,834	9,501
Ford Total	**117,683**	**111,578**	**796,532**	**771,766**
Light-Duty	97,668	118,913	732,307	766,890
Medium-Duty	1,401	1,536	11,210	10,932
Chevrolet Total	**99,069**	**120,449**	**743,517**	**777,822**
Light-Duty	27,022	30,455	182,445	186,463
Medium-Duty	3,567	2,913	21,317	16,728
Heavy-Duty	895	750	4,658	6,538
GMC Total	**31,484**	**34,118**	**208,420**	**209,729**

LIGHT-DUTY JULY, YEAR-TO-DATE SALES

	July		Year-to-Date	
	1986	1985	1986	1985
Vans	14,498	15,222	104,382	113,521
Aerostar	13,698	725	86,105	725
Club Wagon	1,847	2,469	16,208	21,039
Ranger	23,004	17,447	167,286	152,790
Bronco	4,177	4,455	28,169	30,536
Bronco II	8,914	7,514	54,242	61,047
Pickups	46,547	57,875	307,019	355,258
Ford	**112,685**	**105,707**	**783,411**	**734,916**
Vans	11,694	12,950	80,548	94,128
Sportsvan	1,388	2,077	10,624	14,350
Astro	12,620	11,591	89,660	52,738
S-10	14,119	15,121	124,830	131,107
S-10 Blazer	12,588	12,904	93,587	104,136
El Camino	1,428	1,880	13,210	12,081
Blazer	3,271	4,131	24,279	26,491
Suburban	4,887	5,265	34,807	36,246
Pickups	35,673	52,994	260,762	295,613
Chevrolet	**97,668**	**118,913**	**732,307**	**766,890**
Vans	6,652	5,241	45,181	38,677
Ram Wagon	3,385	3,313	25,860	25,260
Voyager	8,416	10,219	67,747	67,747
Caravan	9,224	11,387	70,615	72,336
Mini Ram Van	1,180	2,053	9,356	15,302
Ram 50	5,385	4,838	42,747	41,849
Ramcharger	2,160	2,371	13,557	22,259
Dakota	497	0	656	0
Pickups	9,297	15,649	56,643	102,676
Chrysler	**48,196**	**55,071**	**332,362**	**386,106**
Vans	3,908	3,563	22,917	24,774
Safari	2,617	2,915	19,135	12,087
S-15	3,714	3,379	29,584	29,756
S-15 Jimmy	3,205	3,032	22,792	23,726
Jimmy	823	820	5,045	5,178
Caballero	191	251	1,654	1,532
Suburban	1,652	1,670	11,123	10,942
Pickups	10,264	14,396	66,731	74,055
P Model	537	429	2,766	4,413
W-4	111	0	698	0
GMC	**27,022**	**30,455**	**182,445**	**186,463**
Wrangler/CJ	2,915	3,981	20,079	21,476
Wagoneer	742	1,065	5,811	7,424
Cherokee	8,338	7,940	56,323	53,213
Grand Wagoneer	1,127	1,467	8,536	7,948
Comanche	2,820	0	17,382	0
J-10/J-20	127	277	933	2,434
Jeep	**16,069**	**14,730**	**109,066**	**92,495**
Toyota	50,000	46,356	229,601	200,748
Nissan	20,760	23,654	130,325	160,233
Mazda	12,257	10,779	86,849	64,111
Isuzu	7,181	7,702	48,916	44,125
Mitsubishi	2,303	2,297	18,451	15,385
Suzuki	4,392	0	24,941	0
Imports	**96,893**	**90,788**	**539,083**	**484,602**
Industry Total	**396,533**	**415,664**	**2,658,674**	**2,651,472**

Leasing outlook blends good, bad

MIAMI — The outlook for full-service truck-leasing companies during the last half of 1986 and early 1987 is mixed.

Bowker, Brown & Co., a consulting firm, said commercial truck rentals, which lagged earlier his year, are strengthening. However, there are surplus tractors in rental fleets in the Midwest, mid-South and Texas, the firm said. Bowker, Brown said it anticipates little near-term change in the situation.

One-way and consumer truck rentals continue to be strong.

However, U-Haul's emphasis on rental stores and its failure to renew its fleet, along with the demise of Jartran, has made Ryder the market leader in pricing, the consulting firm said.

Hertz-Penske purchased 1,200 Jartran late-model Ford F-700s from Frank B. Hall Inc. of Westchester County, N.Y., the insurance brokerage firm which had leased the units to Jartran.

One-way and consumer rentals are the most promising growth area of truck rental and leasing for the next 12 months.

Single-source leasing and contract carriage have been explored by virtually every shipper since deregulation to the point where those services will share in the growth, but no longer pose a major threat to full-service lease renewals, Bowker-Brown said.

New lease business will at best follow the gross national product growth of 5 to 6 percent a year, the firm predicted. Given the revenue demands imposed on the major companies — especially Ryder — there is little chance of lease rates reaching profit levels of five years ago. Rate pressures are expected to continue.

Contract maintenance is viewed as having the most promising growth and profit opportunities.

Companies that seriously developed and marketed that service had 20-percent-plus gains in 1985. There is a large market potential in contract maintenance available to leasing companies and truck dealers alike, the firm said.

In addition to the traditional private fleets, the federally induced "privatization" of municipal fleets expands the contract-maintenance horizon beyond any other related service for the foreseeable future.

Caterpillar to offer Belgian-made 4-stroke diesels

By Joseph Bohn
TRUCK EDITOR

Caterpillar Engine's North American mid-range truck business is giving ground to greater powertrain integration by its major customers and the influx of imported trucks.

As a result, Caterpillar is trying to expand its truck market with a family of metric-design, four-stroke diesel engines.

They will become available to commercial markets by January 1988.

The engines will be built in Gosselies, Belgium.

Caterpillar will begin phasing the new engines into its own earthmoving and construction equipment in June 1987.

By the following January, it will begin offering them to the industrial, marine and electric-power-generation markets.

Meanwhile, it is also looking for a home for the new engines among North American chassis manufacturers.

The engines are lighter and more fuel-efficient than the 3208, which Caterpillar sells to Ford and General Motors for their upper-end Class 6 and Class 7 trucks.

The new engines are geared to lighter pickup-and-delivery applications in Class 5 and lower-endClass 6 trucks, where imports are coming on strong.

Caterpillar's 3208 engine sales to Ford and GM have been slipping and are expected to continue to slip.

In 1984, Cat supplied 45 percent of Chevy/GMC Class 7 trucks and 65 percent of Ford Class 7 vehicles.

In 1985, it supplied 44 percent of GM's and 53 percent of Ford's Class 7 trucks.

Ford is pushing hard to make its own Brazilian-produced engines the heavy favorite in its medium-duty trucks. GM has a Detroit Diesel Allison/Deere engine-producing venture that likely will ease Cat out the same way.

At the same time, both Ford's and GM's U.S.-built built medium-duty trucks are giving up market share to imports.

Caterpillar Engine doesn't need an on-highway truck market to support its new powerplants because of its huge captive volume in supplying all its own earthmoving machines.

But, obviously, the economies of scale and profit opportunities of the additional high-volume market are very attractive.

Generally, its new metric-design, four-stroke engines are designated the 1.1-liter family.

Each cylinder displaces 1.1 liters for a total displacement of 4.4 liters (268 cubic inches) in four-cylinder models and 6.6 liters (403 cubic inches) in six-cylinder models.

Cat calls the four-cylinder engine the 3114 and the six-cylinder the 3116.

The engines are offered in naturally aspirated, turbocharged and turbocharged-aftercooled configurations.

Introductory commercial intermittent ratings range from 52 to 172 kilowatts (70 to 230 horsepower) with a broad operating range of 1,500 to 3,000 rpm.

Turbocharged and turbocharged-aftercooled industrial ratings have a 25-percent increase in torque.

Generator sets will be offered in 50- and 60-hertz ratings with standby ratings from 40 to 135 kilowatts and prime ratings from 36 to 123 kilowatts.

Special application ratings will also be available.

Key design features of the 1.1-liter engines include Cat's unit injector fuel system, high-mounted engine camshaft and oscillating roller followers.

AUCTION DATES

American Motors

Aug. 12 — Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Aug. 13 — Minneapolis Auto Auction, Plymouth, Minn.; Metro Milwaukee Auto Auction, Caledonia, Wis.; and Mid States Auto Auction, South Bend, Ind.

Aug. 14 — Northway Exchange, Clifton Park, N.Y.; Todd Auto Auction, Telford, Pa.; and Evansville Auto Auction, Evansville, Ind.

Aug. 19 — High Point Auto Auction, High Point, N.C.

Chrysler Corp.

Aug. 12 — Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; NuCarPrep System, Santa Fe Springs, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 13 — Southern Auto Auction, Warehouse Point, Conn.

Aug. 14 — Fredericksburg Auto Auction, Fredericksburg, Va.

Aug. 19 — Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; and Dallas Auto Auction, Grand Prairie, Texas (special summer clearance sale)

Ford Motor Co.

Aug. 13 — Concord Auto Auction, Acton, Mass. (tentative)

Aug. 14 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 20 — Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Aug. 12 — Denver Auto Auction, Englewood, Colo.; Florida Auto Auction of Orlando, Orlando, Fla.; 166 Auto Auction, Springfield, Mo.; and Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 13 — Brasher's Auto Auction, Fontana, Calif.

Aug. 14 — Nashville Auto Auction, Nashville, Tenn., and Arena Auto Auction, Chicago

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WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

Used Car Sales
Auction Averages

August to date	$5,202
Month ago	$5,157
Year ago	$5,831

Model Breakdown
Auction Averages

	AUG 1986	JUL 1986	JUN 1986
1986	$12,331	$12,574	$12,183
1985	$8,505	$8,522	$8,558
1984	$6,258	$6,259	$6,342
1983	$5,505	$5,501	$5,530
1982	$4,358	$4,358	$4,363
1981	$3,400	$3,395	$3,422
1980	$2,524	$2,528	$2,561
1979	$2,156	$2,184	$2,172
Overall Average	$5,202	$5,196	$5,194

Big H Auto Auction building new home

HOUSTON — Construction has started here on the new home of Big H Auto Auction.

Located on 48.7 acres, the auction building will cover approximately 35,000 square feet and house five auction lanes, offices, a reconditioning facility and a restaurant. Completion is scheduled for September.

NUMMI solves plant problems

By Scott Miner
DETROIT REPORTER

Early production and component-quality problems at New United Motor Manufacturing Inc. in Fremont, Calif., have been corrected, and NUMMI officials say top-quality cars now are being produced.

The former General Motors plant was chosen as the site for the GM-Toyota joint venture. GM halted production at Fremont in March 1982, and NUMMI began building the Chevrolet Nova there in December 1984.

After GM and Toyota signed an agreement in February 1983, changes were made within the plant to make it more efficient than it had been before. Manufacturing techniques were totally revamped, said Kosuki Ikebuchi, NUMMI vice president for manufacturing.

Ikebuchi discussed the changes during a Detroit conference on U.S.-Japanese technology.

Toyota's first step was to bring its NUMMI manufacturing staff to the United States to study how cars had been built at Fremont by GM. The Japanese did not view the plant as a quality or efficient operation.

Bringing the Japanese style of building cars to the United States showed how manufacturing philosophies differ between the automotive giants. Practically every operation in the plant was changed by the Toyota NUMMI team.

Although there were problems to overcome, Toyota and GM officials now consider the plant a model of efficiency.

The factory's problem areas were boiled down to three groups: poor quality, low efficiency on the assembly line and excess inventory.

Ikebuchi said production quality was hurt because repairs to equipment were considered part of the regular routine. Absenteeism was high; parts were being damaged in transit; and the quality of parts from suppliers was low, Ikebuchi said.

The lack of efficiency on the assembly line was blamed on excessive inventory, poor utilization of equipment, a centrally controlled maintenance group and ineffective job classification.

Poor inventory control was attributed to inadequate parts management, problems with engineering changes and line repair problems. Ikebuchi said workers had too great a variety of parts at their work stations, preventing them from working efficiently. He also said workers were slow to respond to inventory problems.

The flow of parts has been rearranged. Parts now are delivered to the exact section of the assembly line where they are needed. Workers no longer have to chase parts.

Ikebuchi said one of the biggest snags they encountered was "getting the workers to honestly evaluate a problem. They were not used to the 'team concept.'"

Another problem was the poor quality of parts received from U.S. suppliers in comparison with those received from Japanese firms. "We were disappointed at the beginning," Ikebuchi said. "The technology and inspection (quality) was poor. But the gap (between Japanese and U.S.) suppliers is disappearing."

To improve production, Ikebuchi brought to the new company Toyota's method of building cars.

Ikebuchi said the NUMMI plant was built with the latest equipment in automation three years ago, but with automation changing quickly, it may not be as automated as newer plants in Japan.

The Japanese instituted changes in inventory controls and job classifications.

Ikebuchi said problems have been corrected and the plant is running at high efficiency. "Everything is possible in America," he said.

On a visit to the Fremont plant last spring, U.S. Labor Secretary William E. Brock said, "Absenteeism has dropped from 20 to 25 percent to a remarkable 2 to 3 percent."

He added that union grievances have been reduced from almost 1,000 unresolved grievances and 60 contested firings for 2,500 workers to no more than three grievances at any one time.

The NUMMI plant has 2,500 workers. One the management side, there are 35 people from Toyota and 16 from GM.

Prima scores a diesel first

WAYNE, Mich. — After a four-year, $27 million development program, Perkins Engines has unveiled a new diesel designed for passenger cars.

The company said the Prima is the world's first high-speed, direct-injection diesel for autos.

Roger L. Howsman, Perkins president, said the new engine is the result of a joint venture between the Perkins Worldwide Group, based in England, and Austin Rover.

Howsman said there are no plans to offer the new Prima engine for cars or light vans in North America. However, he said that industrial and marine versions of the Prima will be sold in the United States and Canada, beginning in 1987.

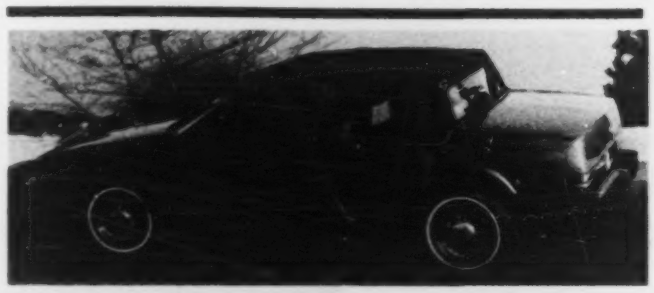
At the heart of the new two-liter engine is the Prima combustion system, which features direct fuel injection and a combustion bowl at the top of the piston.

Perkins said this is the first time direct injection of a diesel has been achieved at engine speeds of around 4,500 rpm, which are required for high-speed applications such as passenger cars. That results in an inherently more efficient engine, providing fuel economy 40 percent better than in gasoline engines, according to Perkins.

As a vehicle or marine unit, the Prima engine will be available in naturally aspirated and turbocharged versions. Horsepower ratings range from 65 to 80.

For industrial applications, hp can be ranged down to 37.5.

The Prima is now in volume production. Perkins and Austin Rover have initial capacity for building 80,000 units year and are capable of expanding to more than 100,000 units.



Cadillac Seville convertible

E&G Classics, Inc., is marketing a convertible top for the 1986 Cadillac Seville. The firm is in Columbia, Md.

Robot keepers trained

DETROIT — There's a growing, oft-stated need in the automotive manufacturing field for people trained in the care and feeding of robots.

That need is becoming more acute as those machines, in turn, grow faster and smarter.

Budd Co. is among suppliers moving ahead in both developing areas of concern.

The company, recognized as being on a par with — or ahead of — carmakers in automation sophistication, has just established a 32,000-square-foot, $1.3 million Automation Research Center in suburban Sterling Heights.

It will have a faculty of 20 manufacturing and training specialists and a goal of accelerating the retraining of Budd workers. The center will have an operating budget of about $1.5 million a year, Budd said.

Russell J. Bennington, manager of research and development in Budd's Stamping and Frame Division, is heading the new center.

"In addition to being a classroom and laboratory for workers and managers, the center will be used to design and evaluate the latest manufacturing technology," Bennington said.

Budd, a subsidiary of Thyssen AG, of Duisburg, West Germany, has annual sales to the auto industry of about $1.3 billion. Stamping and Frame is its largest division.

Budd robot comes unglued, shoots self

DETROIT — Budd Co. claims a first in the field of industrial automation. One of the robots in its North Baltimore, Ohio, plant has committed suicide.

Budd workers are allowed to name their machines and the deceased was Josephine. In her work, she laid down a long and complex bead of adhesive with precision and a neatness that only robots can achieve. Then something happened, said Paul Sichert, vice president, public affairs.

Josephine ignored the glue, picked up a fistful of highly active solvent and shot herself in her electronics-packed chest.

Kablooey! Josephine has been replaced by Ruth.

Jartran loses ad-case plea

SAN FRANCISCO — A federal appeals court here has upheld a $40-million damage award against Jartran Inc., a truck rental firm that is in liquidation proceedings.

The award to U-Haul International Inc. is said to be one of the largest ever in a false advertising case.

U-Haul sued Jartran, charging that Jartran ran false comparative advertising in 1979 and 1980. The ads were aimed directly at U-Haul.

In 1984, a federal district court in Phoenix, Ariz., agreed with U-Haul's claim of injury and awarded the company $40 million in damages.

The Jartran advertising implied that consumers could save money by renting Jartran equipment rather than U-Haul equipment. Jartran's ads also implied that its vehicles were safer and more fuel-efficient than U-Haul vehicles.

The U.S. Court of Appeals for the Ninth Circuit upheld the lower court's award, but said the damages should be distributed in part to U-Haul dealers under a formula to be determined by the lower court.

The appellate court also found the restrictions the lower court placed on future advertising by Jartran to be "over-broad." The court modified those restrictions to prohibit only future false and misleading claims by Jartran, rather than any future comparative claims.

The court also reversed a finding that James A. Ryder, founder of Jartran, is the alter ego of Jartran and thus responsible for payment of damages. The court also refused to award U-Haul attorney fees for the appeal.

Jartran is owned by Frank B. Hall Co., Briarcliff Manor, N.Y., an insurance brokerage concern.

EUROPE

FROM PAGE 1

sales of 898,900 cars, well ahead of 799,000 for second-place Fiat Auto. They held the same positions last year.

But there is no official body that tabulates car sales in Europe. As a result, some estimates put the VW Group and Fiat Auto much closer together for 1986. Some of those estimates do not include 90,700 Seat sales in the VW total, and some sources place Fiat ahead of VW. French industry sources put Fiat on top, and Fiat's own figures also put it in first place.

But all sources agree that the Japanese made a tremendous gain. Sales of Japanese cars in Europe during the first half totaled 727,500, an advance of 22.9 percent over the 592,000 counted in the first half of 1985. Japan's market share was 11.8 percent this year, up from 10.4 percent in 1985.

Seat sales are included in the Volkswagen Group's total for the first time. Two months ago, VW bought 51 percent of the Spanish government's equity in Seat. VW will increase its share to 75 percent by the end of this year and take full ownership by 1990. Seat has been manufacturing Volkswagen cars since 1983.

In the first half of 1986, the VW Group captured 14.6 percent of European new-car sales, followed by Fiat Auto with 13.0 percent. Next in line were the Japanese, 11.8 percent; Ford, 11.6 percent; General Motors, 11.4 percent; PSA (Peugeot-Citroen-Talbot), 11.2 percent; and Renault, 9.9 percent.

Renault was the only one of the leaders to suffer a sales decline. Its sales were down 1.8 percent for the first half. The others were up 6.7 percent to 10.6 percent.

The first half of 1986 was highlighted by the Japanese advance in the European markets. As noted, the Japanese group increased its car sales by 22.9 percent, from 592,000 to 727,000 units.

The Japanese carmakers accounted for 28.7 percent of the total market growth, even though their sales are still restricted in four countries that account for about 50 percent of the total European market.

In Great Britain, a market of some 965,000 cars for the first half, the Japanese still observe a gentlemen's agreement that allows them to take between 10 and 11 percent of the market. They actually took about 10.3 percent during the first half of the year, according to Britain's Society of Motor Manufacturers and Traders.

The French authorities still limit the Japanese market penetration to 3 percent of total sales (of 936,700 cars for the first half), but importers took some 3.4 percent.

In Italy, where the Japanese are allowed to sell no more than 2,000 cars a year, they sold more than that number in the first half.

Spain is still protected from most imports although the country joined the European Economic Community last year. The Japanese carmakers sold about 2,700 cars in the first half, taking nearly one percent of the total of 303,600.

Altogether, the Japanese companies took some 4 percent of the market in these protected countries. In the free markets, however, they took some 20 percent of all sales during the first half.

They made their greatest advance in Germany, the biggest national market in Europe and the one that showed the largest sales gain — up 220,000 cars for the first half. Japan's sales gain in Germany was 51,000 cars.

The Japanese have another stronghold in Europe in the smaller countries, which have no domestic car industry, and mainly in the north of the continent. In markets like Norway, Denmark, Finland, the Netherlands, Belgium, Luxembourg, Switzerland, Austria and Ireland, they increased their sales by more than 63,000 cars to take 27 percent of all sales.

The Japanese market share was 41.6 percent in Finland and 41.3 percent in Ireland. It was between 26 and 37 percent in Norway, Denmark, Greece, Austria and Switzerland.

As they work on increasing their sales volume in Europe, all the Japanese manufacturers also are seeking to build a prestige image. That is part of a plan to go upmarket and sell more profitable cars than they currently do. Until recently, the Japanese makers' success in Europe was based mainly on lower-priced models.

NATION BY NATION

Country	9 mos. 1986	Pct. gain or loss from 1985
West Germany	1,477,500	+ 17.5
Italy	1,034,100	+ 4.2
United Kingdom	964,700	+ 2.2
France	936,700	+ 4.8
Netherlands	347,600	+ 13.9
Spain	303,600	+ 9.7
Belgium/Lux.	253,800	+ 10.9
Switzerland	171,400	+ 13.9
Austria	130,500	+ 2.6
Sweden	134,100	– 6.5
Denmark	101,900	+ 21.8
Norway	101,700	+ 34.9
Finland	80,900	+ 7.7
Portugal	48,200	+ 10.1
Ireland	35,500	– 8.3
Greece	28,400	– 20.8
TOTAL	6,180,800	+ 8.9

Big European growth seen for 4wd autos

Four-wheel-drive automobile sales in Western Europe will surpass sales of 4wd light utility vehicles within the next five years as the market for non-commercial 4wd vehicles triples, a recent report predicts.

The projection was made by Automotive Industry Data Ltd., a British firm.

It predicted that the European 4wd passenger cars, which accounted for 41.3 percent of the total 4wd market last year on sales of 108,230 units, will grow to almost 60 percent, or 480,000 sales, in an 800,000-vehicle market by 1991.

At the same time, sales of light utility vehicles (such as Land Rover and Jeep) are expected to double their 1985 total of almost 154,000 sales.

From 1979 to 1985, the 4wd market in Western Europe grew from about 65,000 sales to just over 260,000 sales, according to the report.

Notably, the production of 4wd passenger cars in those countries rose from a paltry 2,484 units in 1982 to almost 69,000 units in 1985.

The report predicted a huge increase in European 4wd passenger-car production. By 1991, the report said, European 4wd car production will be slightly more than 600,000 units, compared with 68,700 in 1985. As the Western European market will account for only 480,000 sales, including Japanese imports, much of the production will be exported.

North America is expected to be the main export market and the report predicted that 15 to 20 percent of such imported performance/luxury cars as BMW, Audi and Mercedes-Benz will be equipped with 4wd.

However, the report indicated that Japanese models will dominate the European light-utility vehicle market.

"Light-utility 4x4 sales in Europe expanded 2.6 times from 1979 to 1985, while European production remained fairly static during the period, leaving most incremental sales to imports from Japan."

The researchers predicted that European 4wd light-utility vehicle production would reach 135,000 in a market of 320,000 sales in 1991.

The report covers 15 main European markets on a country-by-country basis.

Switzerland is the leading European country in terms of 4wd market penetration, according to the report. In 1985, 30,000 4wd vehicles, representing 11.3 percent of the market, were sold in Switzerland.

Sales of 4wd passenger cars in Switzerland increased from 2,761 in 1979 to 21,447 in 1985.

Spurring the growth of 4wd vehicles in Switzerland is a government subsidy on vehicles which can be made available for civil defense during times of emergency.

The report is available for $750 from Automotive Industry Data Ltd., 34 St. John Street, Lichfield, Staffordshire WS13 6PB, England.

You're happy.

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SALES

Import sales demolish records

By Jenny L. King
DETROIT REPORTER

Imports stole the sales show in July with their best-ever total and a record share of the July market. Domestic sales were up slightly but remained behind 1985 on a year-to-date basis.

With sales of 305,209, imports claimed 32.00 percent of the July market, up from 29.52 percent a year earlier. It was their third deepest penetration into the U.S. market. Six of the 31 makes notched records, and newcomer Hyundai moved up behind Honda as the fourth biggest importer.

Total new-car sales in July were up 6.11 percent, to 953,876 from 898,925 last year. Imports were up 15.00 percent, to a record 305,209 from 265,392 a year ago. The previous alltime high was 286,194 recorded in May of this year.

Domestic sales recovered from their precipitous 18.01-percent, mid-month decline with a 16.11-percent increase the final 10 days of the month. The July total of 648,667 was up 2.39 percent from 633,527 in 1985. Sales rose for five of the seven U.S. automakers.

General Motors, which sweetened its low-interest-rate-loan incentives in late July with rebate offers on certain models, was up 0.99 percent for the month, to 352,389 from 348,936 last year. Ford Motor Co. climbed 2.60 percent, to 169,924 from 165,621. Chrysler Motors was up 12.61 percent, to 98,835 from 87,766.

Honda reported sales of 15,840 new U.S.-built Accords and Civics in July, up from 9,338 a year earlier. Volkswagen was up 3.29 percent, to 6,402 from 6,198. American Motors sales of 5,186 units were off 57.30 percent from 12,144, and Nissan, still strangled by factory changeover, dropped to 91 Sentra sales from 3,524 a year ago.

GM's share of the July domestic-car market slipped to 54.32 percent from 55.08 percent. Ford inched up to 26.20 percent from 26.14 percent. Chrysler drove away with 15.24 percent, up nearly 1½ percentage points from 13.85 percent.

AMC earned 0.80 percent, down from 1.92 percent. Honda had 2.44 percent, up from 1.47 percent. VW moved to 0.99 percent from 0.98 percent, and Nissan plunged to 0.01 percent from 0.56 percent.

Industry sales at the end of seven months were up 1.09 percent, to 6,601,939 from 6,532,562 in 1985. Imports were up 14.45 percent, to 1,813,293 from 1,584,368. Domestics dipped 3.22 percent, to 4,788,646 from 4,948,194.

July 21-31 domestic-car sales were up 16.11 percent, to 281,476 from 242,413 in 1985.

U.S. CAR SALES BY MARKETING UNITS

	July 1986	July 1985	7 Mos. 1986	7 Mos. 1985
Chevrolet	186,333	181,204	1,245,499	985,821
Ford	114,712	107,968	795,851	857,739
Oldsmobile	84,010	89,409	642,583	657,801
Toyota	75,228	69,769	553,009	552,695
Pontiac	84,193	84,997	614,722	466,539
Buick	80,774	61,375	443,345	327,827
American Honda	52,750	37,400	353,199	323,268
Nissan	69,671	67,082	514,333	515,698
Dodge	46,143	39,977	293,409	282,851
Mercury	43,545	45,321	298,704	320,798
Plymouth	33,814	28,241	242,066	229,998
Chrysler	31,421	28,829	208,752	217,427
VWoA	23,566	25,064	175,527	171,836
Hyundai	19,690	—	72,068	—
Cadillac	19,385	25,977	166,120	174,361
Mazda	16,907	17,229	120,113	103,579
Subaru	16,030	15,569	109,006	94,068
Lincoln	13,372	13,236	91,011	92,884
Volvo	11,470	10,918	74,893	66,496
BMW	6,848	7,827	54,855	51,805
Mercedes	6,789	7,708	50,998	51,805
AMC-Renault	5,430	12,633	42,680	79,314
Saab	4,999	3,679	28,978	23,979
Mitsubishi	3,434	5,280	27,036	27,161
Yugo	3,020	—	14,960	—
Porsche	2,979	2,072	17,705	14,194
Jaguar	2,143	1,784	13,649	11,106
Isuzu	2,062	2,787	18,285	14,473
Peugeot	1,178	1,901	7,716	9,437
Alfa Romeo	810	363	3,676	2,851
Maserati	80	88	880	1,789
TOTAL	953,876	898,925	6,601,939	6,532,562

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentra built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	July 1986	July 1985	7 Mos. 1986	7 Mos. 1985
Acura	4,456	0	17,405	0
Alfa Romeo	810	363	3,676	2,851
Audi	4,606	7,417	36,912	44,503
BMW	6,848	7,827	54,855	50,174
Chevrolet Spectrum	7,112	5,341	50,809	28,246
Chevrolet Sprint	5,194	2,278	40,911	19,989
Dodge Colt	4,148	2,850	27,589	17,478
Dodge Conquest	248	202	1,701	1,001
Dodge Vista	1,546	1,237	10,110	5,816
Honda	32,434	28,062	233,484	230,911
Hyundai	19,690	0	72,068	0
Isuzu	2,062	2,787	18,285	14,473
Jaguar	2,143	1,784	13,649	11,106
Maserati Biturbo	80	88	880	1,789
Mazda	16,907	17,229	120,113	103,579
Mercedes-Benz	6,789	7,708	50,998	51,805
Merkur	1,506	933	9,179	3,998
Mitsubishi	3,434	5,280	27,036	27,161
Nissan	50,580	63,558	358,902	306,957
Peugeot	1,178	1,901	7,716	9,437
Plymouth Colt	3,753	2,599	25,222	18,518
Plymouth Conquest	239	198	1,598	1,548
Plymouth Vista	1,411	1,188	9,548	5,724
Porsche	2,979	2,072	17,705	14,306
Renault	244	486	2,268	4,740
Saab	4,999	3,679	28,978	23,979
Subaru	16,030	15,569	109,006	94,068
Toyota	75,228	69,769	553,009	552,695
Volkswagen	12,547	13,079	90,122	81,177
Volvo	11,470	10,918	74,893	66,496
Yugo	3,020	0	14,960	0
TOTAL	305,209	285,392	1,813,293	1,584,368

Where auto market was, July, 1986

	Total Sales	Pct. of Total
SUBCOMPACT	128,796	13.50%
COMPACT	143,537	15.05%
INTERMEDIATE	231,936	24.31%
STANDARD	83,686	8.79%
LUXURY	60,533	6.35%
IMPORT	305,209	32.00%
TOTAL	953,876	100.00%

DOMESTIC CAR SALES

Alliance	0	0	3,329	6,135	38,288	42,694
Encore	0	0	1,381	6,211	7,702	25,778
Total Renault	0	0	4,710	11,988	35,990	68,177
Eagle	0	0	479	791	4,401	6,347
Total AMC	0	0	479	791	4,401	6,347
AMERICAN MOTORS	2,332	5,264	5,189	12,142	40,389	74,524
Horizon	1,305	1,420	10,833	4,423	64,884	69,466
Rambler	488	0	570	0	3,888	0
Tercel	2,070	1,155	4,143	2,696	68,338	34,518
Reliant	3,407	5,033	6,409	12,059	83,140	82,647
Caravelle	704	841	2,616	2,340	23,618	21,586
Plymouth	880	806	1,888	1,709	19,102	13,122
Total Plymouth	11,870	9,866	28,211	64,249	886,709	266,239
Laser	1,105	1,430	2,518	3,549	12,731	33,250
LeBaron (K)	3,282	2,494	8,157	7,118	89,788	53,570
LeBaron GTS	2,573	2,975	5,988	7,088	37,516	38,916
Cordoba	0	0	0	0	0	0
Fifth Avenue	4,227	2,888	10,544	8,726	39,088	35,080
E-Class	0	0	2,888	0	2,888	18,719
New Yorker	2,004	1,501	2,004	1,350	28,704	13,719
Total Chrysler	13,191	11,116	31,421	28,829	208,752	217,427
Omni	4,328	1,388	8,518	4,088	66,566	46,570
Shadow	312	0	444	0	600	0
Charger	2,181	1,224	4,538	3,729	28,569	27,362
Daytona	1,009	1,382	3,833	3,691	24,171	31,430
Aries	3,410	5,436	8,775	10,788	60,048	68,227
Lancer	1,914	1,725	3,886	4,775	27,732	27,972
Dodge 400-600	0	0	0	0	0	9,913
Diplomat	1,848	1,102	3,175	3,821	18,433	23,626
Mirach	0	0	0	0	0	0
Dodge 600	1,725	1,438	5,822	4,100	36,888	20,445
Total Dodge	16,772	13,603	36,200	34,666	254,031	257,625
CHRYSLER CORP.	41,823	34,366	98,065	87,766	668,446	691,267
EXP	0	356	0	1,211	0	15,641
Escort	13,272	11,538	31,867	29,535	239,603	231,167
Mustang	7,467	4,003	16,628	12,534	107,875	97,515
Tempo	9,643	7,462	21,766	17,871	149,823	175,210
Taurus	8,062	0	19,139	0	121,888	0
Thunderbird	5,202	6,305	12,295	14,288	84,955	96,526
LTD	391	6,539	1,050	17,254	21,597	122,627
Crown Victoria	4,934	5,054	11,997	15,310	79,362	99,044
Total Ford Division	48,931	41,367	114,712	107,998	795,281	837,730
Lynx	2,289	2,518	5,243	6,958	36,431	47,629
Topaz	2,375	1,351	5,672	3,741	39,869	47,188
Sable	2,803	0	8,848	0	53,761	0
Cougar XR-7	4,957	4,308	11,538	10,903	72,786	68,354
Capri	610	521	1,377	1,305	7,830	9,292
Marquis	161	3,500	455	9,638	9,250	58,223
Grand Marquis	4,490	4,498	10,667	12,267	68,597	80,063
Total Mercury	17,825	16,694	41,940	44,396	289,526	317,089
Continental	884	884	1,582	2,173	11,140	17,243
Lincoln	4,368	3,348	9,872	9,237	67,913	63,292
Mark VII	732	798	1,918	1,825	11,958	12,059
Total Lincoln	5,812	5,031	13,372	13,235	91,011	92,884
Total L-M Division	23,437	21,716	55,212	57,623	380,536	409,763
FORD MOTOR COMPANY	72,368	63,102	169,924	165,621	1,176,417	1,247,493
Skyhawk	2,532	2,897	6,897	8,791	49,814	59,861
Skylark	0	867	0	2,011	2,522	51,117
Somerset Regal	4,129	2,326	10,318	4,711	74,522	59,525
Century	8,008	6,315	18,210	16,388	139,218	131,909
Regal	2,888	2,878	6,050	7,538	49,281	63,154
LeSabre	5,142	3,900	11,225	10,018	63,510	67,178
Electra	2,862	4,074	7,180	9,292	66,974	46,294
Riviera	780	1,875	1,584	4,861	9,804	32,057
Total Buick	26,401	24,825	60,774	61,575	446,945	527,627
Cimarron	798	538	1,838	1,508	12,885	13,059
Seville	481	988	1,011	2,382	8,718	19,020
Cadillac	6,635	8,218	15,181	17,127	132,761	102,799
Eldorado	727	2,078	1,564	4,992	11,799	39,483
Total Cadillac	8,601	10,539	19,385	25,977	166,120	174,361
Chevette	1,584	3,329	4,030	8,026	41,995	79,193
Nova	8,624	1,483	17,208	4,043	92,094	7,239
Cavalier	10,716	10,238	29,376	26,604	236,819	261,188
Citation	28	838	48	2,221	1,025	38,311
Camaro	5,748	8,108	14,232	17,019	109,615	125,395
Celebrity	12,388	11,549	29,811	31,826	247,612	213,273
Malibu	0	0	0	0	0	0
Monte Carlo	3,702	3,323	8,766	9,414	84,091	76,340
Chevrolet	7,754	6,764	18,075	18,695	139,662	149,699
Corvette	1,018	1,005	2,483	2,909	21,073	23,240
Total Chevrolet	51,858	44,631	124,027	122,547	983,776	999,774
Firenza	1,325	1,131	2,957	3,088	22,362	33,861
Omega	0	0	0	0	0	0
Calais	4,824	2,939	10,990	8,560	74,498	75,952
Cadillac Cimarron	11,920	9,270	28,128	25,984	197,008	200,529
Cadillac Supreme	6,266	5,598	14,434	15,299	131,729	129,662
Olds 88	10,184	8,865	22,017	18,122	139,127	128,599
Olds 98	2,838	4,720	8,337	11,849	70,641	67,591
Toronado	524	1,073	1,297	2,800	8,160	21,080
Total Oldsmobile	37,880	31,836	84,010	83,400	642,523	657,901
Fiero	2,539	2,365	5,975	6,465	43,078	59,229
1000	516	522	1,276	1,274	11,570	13,167
Sunbird	3,819	2,731	10,388	6,978	70,763	70,310
Phoenix	0	0	0	0	0	838
Firebird	3,922	3,003	8,004	8,369	61,161	64,989
Grand Am	5,860	3,013	12,988	6,541	122,143	62,695
6000	7,223	4,461	15,519	12,407	107,627	91,000
Bonneville	1,069	1,388	2,585	3,660	25,308	31,299
Grand Prix	1,028	1,518	2,528	4,151	24,563	33,239
Parisienne	2,105	1,850	5,079	4,722	48,470	38,168
Total Pontiac	27,704	20,971	64,193	54,597	514,723	465,530
GENERAL MOTORS	152,242	132,402	352,389	348,936	2,728,127	2,765,163
VOLKSWAGEN	3,575	3,143	6,402	6,198	46,493	46,158
HONDA	9,332	2,902	15,840	9,338	106,270	92,399
NISSAN	0	1,124	91	3,524	25,461	10,811
DOMESTIC TOTAL	281,476	251,395	648,667	633,527	4,788,646	4,948,194
IMPORT TOTAL			305,209	285,392	1,813,293	1,584,368
INDUSTRY TOTAL			953,876	898,925	6,601,939	6,532,562

Suppliers slap America price hike

By Roger Rowand
ENGINEERING EDITOR

TRAVERSE CITY, Mich. — Some Chrysler Motors suppliers are asking how the company can increase the price of Omni/Horizon America models by $300. The America rose from $5,499 to $5,799 on Aug. 1.

Suppliers were asked to absorb a 10 percent price cut to support the America program and unions were asked to make concessions.

At an annual University of Michigan supplier-oriented Automotive Management Briefing Seminar here, a vendor asked Chrysler Motors President Harold K. Sperlich how he was able to rationalize the price hike.

Sperlich agreed that supplier and dealer cooperation had been needed. He said the company did not increase prices on 1986 models after its introductory increase last fall and that the hike on its 1987 cars averages less than 2 percent.

"We still have costs coming in the door, notably in the wage, the economic, area," Sperlich said. "You'll find our '87 pricing very responsible. The America still is dramatically lower-priced than it was before we talked to our suppliers, so we think it squares."

Since the start of the America program, Chrysler has asked suppliers for an additional 2 percent price cut. That cut was not tied to America cars, however.

As the seminar progressed, a panel of top auto brass fielded questions — many about prices and the Japanese increases followed by U.S. makers' hikes.

General Motors President F. James McDonald said, "We've made a lot of jokes about the economists but no one has talked about the lawyers. The worst thing you can do is sit up here and talk about prices."

He said GM constantly evaluates its cars and prices against those of competitors. "Then we price accordingly," he said. "That's the only legal answer. That's the only business answer."

PRODUCTION

July production dips to 3-year low

By Kathy Boyer
DETROIT REPORTER

July auto production in the United States was cut by model changeovers and vacations. Output of 512,118 cars was the lowest for any month since July 1983 when 473,239 were assembled.

The month's production dipped 29.20 percent from June's 723,288 and also slipped 17.20 percent below the year-ago month's 618,537.

Changeovers held last week's production to 76,367 cars, lowest of any week so far this year. Last week's targeted build was 23.55 percent below the previous week's 99,895 and 33.87 percent below the year-ago week's 115,481.

So far this year, 4,927,886 cars have been assembled, down 5.22 percent from last year's 5,199,114.

Companies shared last week's estimated production as follows: Ford Motor Co., 43.85 percent; General Motors, 22.58 percent; Chrysler Motors, 19.77 percent; Honda of America Manufacturing Inc., 6.95 percent; New United Motor Manufacturing Inc., 4.89 percent; and American Motors, 1.96 percent.

Volkswagen of America's plant in Westmoreland, Pa. remains idle for changeover until Aug. 18.

Nissan Motor Manufacturing Co.'s car line at the Smyrna, Tenn. plant remained down for changeover last week. Production is scheduled to resume tomorrow (Aug. 12).

American Motors has dropped the Encore nameplate for 1987. The former Encore becomes the Alliance hatchback and the Alliance notchback is now referred to as the Alliance sedan.

GM's Janesville, Ohio, plant closed Aug. 8 for changeover. The plant is expected to resume production Aug. 19.

The following GM plants remain idle for changeover: Wentzville, Mo.; Oklahoma City; Tarrytown, N.Y.; Framingham, Mass.; and Lansing, Mich. (Nos. 1 and 2).

Ford's Atlanta plant remains closed due to a strike over working conditions. The plant assembles Taurus and Sable models.

All Ford car plants except Wixom are slated for daily overtime this week (Aug. 11).

Chrysler's Belvidere, Ill. and St. Louis (No. 2) plants are scheduled for daily overtime this week.

GM trimming capacity at foundry unit

SAGINAW, Mich. — General Motors' Central Foundry Division plans to reduce production capacity.

By the end of August, the division will begin phasing out all operations at its nodular iron casting plant in Saginaw and the die cast and permanent mold aluminum casting operations at its plant in Massena, N.Y. The reductions are scheduled to be completed in two years.

"After careful analysis of our production forecasts, it is clear that we will need less foundry capacity than we now," said George G. Johnson, Central Foundry general manager.

The Massena plant employs 1,329 people to produce aluminum castings for automotive pistons, transmission cases, brake drums and cylinder heads. The Saginaw nodular iron plant employs 1,747 people who make crankshafts, disc brake housings, steering knuckles, exhaust manifolds and other component castings.

"Smaller vehicles with smaller engines require smaller castings," Johnson said. "In addition, we are experiencing fierce competition from foundries outside of GM."

The Massena plant will concentrate on its lost foam cylinder head product line. The lost foam process uses an expendable polystyrene pattern to make each casting.

Approximately 100 Massena plant employees work in the development of lost foam castings. Production of cylinder heads for a 2.0-liter engine for the Chevrolet-Pontiac-Canada Group is scheduled to begin at Massena in September.

Ford begins expansion of St Louis Aerostar plant

DEARBORN, Mich. — Ford Motor Co. has begun site preparation at its St. Louis plant for a $180 million expansion project that will add 243,000 square feet to the plant. Ford said the expansion will provide "a considerable number of new jobs." The plant produces the Aerostar minivan.

Ford has completed a new $78 million 212,000-square-foot paint facility at its Louisville truck plant. Ford builds Rangers and Bronco IIs at Louisville.

Truck output lowest of year

Domestic truck production during July totaled 262,390 units, the lowest monthly output since December when 241,341 trucks were assembled.

July's output was 16.82 percent below June's 315,435 but was 11.33 percent more than the 235,687 produced in July 1985.

Last week's scheduled production of 52,612 was 21.29 percent below the previous week's 66,846 and 16.02 percent below the year-ago week's 62,646.

Year-to-date, 2,190,696 units have been assembled, 3.59 percent more than the 2,114,723 completed last year at this time.

Ford Motor Co.'s Louisville, Ky., plant began production of 1987 Bronco II and Ranger models Aug. 7.

General Motors' Detroit plant closed Aug. 8 for model changeover. The plant is scheduled to resume output Aug. 25.

American Motors' Toledo, Ohio, plant resumed production today (Aug. 11) after being idle since July 21 for vacation.

All Ford plants except Lorain, Ohio, are slated for daily overtime this week (Aug. 11).

Canadian production slides

Canadian carmakers assembled 57,390 units in July, the lowest monthly production since August 1983 when 49,221 cars were built.

July output also was the lowest for that month since 1983 when 54,670 units were assembled.

July's production was 43.27 percent below June's 101,170 and 16.96 percent below the total of 69,110 in July 1985.

Last week's scheduled production of 9,122 cars was down 17.31 percent from the previous week's 11,031 and was 26.49 percent below the year-ago week's 12,410.

Truckmakers' July output of 46,456 was 38.73 percent below June's 75,827 and 9.08 percent below the 51,094 built in July 1985.

Estimated output of 11,151 trucks last week was 11.36 percent below the previous week's 12,580 but was 15.42 percent above the year-ago week's 9,661.

U.S. CAR	Week Ended Aug. 9 1986	Week Ended Aug. 10 1985	Week Ended Aug. 2 1986	July 1986	Jan. 1 to Aug. 10 1986	Jan. 1 to Aug. 9 1986
AMERICAN MOTORS	1,500	2,220	1,332	2,691	67,257	32,466
Renault Total	1,500	2,820	1,332	2,691	67,257	33,057
Alliance	1,500	1,943	1,332	2,610	42,148	28,057
Encore	0	877	0	81	25,109	5,000
CHRYSLER CORP.	15,100	67	17,995	71,378	628,924	551,000
Plymouth Total	5,300	31	6,120	23,054	230,055	249,391
Horizon	2,900	0	3,940	14,584	90,600	104,000
Sundance	1,200	8	1,733	4,505	0	7,400
Reliant	600	21	0	2,569	104,654	97,000
Caravelle	400	1	0	807	31,699	28,200
Gran Fury	200	0	447	890	11,455	11,391
Chrysler Total	8,500	14	4,927	18,012	270,304	282,000
Lebaron	0	0	0	2,325	62,713	63,000
Lebaron GTS	1,600	0	1,465	6,051	60,500	49,700
Laser	0	0	0	1,398	34,300	27,000
New Yorker/E-Class	300	14	175	591	49,539	47,700
Fifth Avenue	2,200	0	2,897	5,460	72,155	70,600
Dodge Total	6,300	22	7,248	32,312	315,662	319,000
Omni	2,800	0	3,469	15,332	69,230	100,000
Shadow	1,100	0	1,356	4,035	0	6,000
Aries	300	11	0	2,428	97,047	75,700
Daytona	0	0	0	2,466	31,474	30,000
Dodge 600	400	11	0	1,859	42,919	47,100
Lancer	600	0	915	3,813	42,807	34,000
Diplomat	1,100	0	1,276	2,999	23,135	23,700
FORD MOTOR	33,400	28,400	33,140	108,417	1,024,425	1,092,100
Ford Division	22,300	18,321	22,000	76,098	679,619	747,000
Escort	7,900	7,900	7,900	21,900	169,452	235,300
Mustang	0	915	3,726	14,029	169,452	129,674
LTD	0	3,354	0	0	131,995	0
Taurus	7,775	0	3,900	16,377	0	173,300
Thunderbird	3,997	2,268	3,043	8,388	113,335	97,000
Crown Victoria	0	0	0	0	7,122	0
EXP	0	0	0	0	3,838	0
Tempo	3,448	4,042	4,155	11,439	114,695	121,126
L-M Division	11,100	10,077	10,231	32,519	344,509	344,500
Mercury Total	8,147	6,458	7,658	23,167	245,360	238,200
Lynx	1,465	1,491	1,445	3,921	45,186	39,878
Capri	0	74	215	1,414	11,884	11,011
Marquis	0	1,861	0	0	66,275	0
Sable	2,706	0	1,676	5,930	0	73,176
Cougar	3,046	1,869	3,039	8,366	82,646	77,864
Grand Marquis	0	0	0	0	4,733	0
Topaz	908	1,151	1,283	3,504	34,836	36,474
Lincoln Total	3,033	3,611	2,573	9,152	99,146	106,304
Continental	386	501	294	1,031	16,458	12,034
Lincoln	2,191	2,701	1,926	6,861	71,701	79,657
Mark VII/VIII	447	409	353	1,260	10,987	14,613
GENERAL MOTORS	17,245	75,529	38,698	290,101	3,080,369	2,653,848
Buick Total	4,786	18,449	8,282	66,851	636,194	484,195
Skylark (X-car)	0	0	0	0	40,953	0
Skyhawk	788	1,201	0	6,704	68,079	53,992
Somerset/Skylark	0	2,625	2,462	12,575	75,269	70,519
Century	0	6,130	3,925	20,259	169,183	161,057
Regal	1,284	963	0	1,199	80,963	37,859
LeSabre/Electra(fwd)	313	2,306	0	1,273	87,322	9,244
LeSabre (rwd)	1,400	0	0	10,301	0	97,319
Riviera	618	1,154	847	3,220	41,736	17,562
Electra(fwd)	0	4,041	1,028	4,121	74,000	86,000
Cadillac Total	5,479	3,113	2,492	18,788	225,764	203,600
Cimarron	338	580	425	1,661	18,121	16,600
Seville	755	711	865	3,417	34,376	15,700
Eldorado	762	1,400	801	3,314	48,139	17,134
Cadillac (rwd)	2,212	412	391	0	28,473	61,704
DeVille (fwd)	1,422	0	0	10,394	107,662	102,466
Chevrolet Total	6,360	21,891	8,666	74,353	1,034,535	812,553
Chevette	0	2,766	0	1,124	103,095	61,091
Cavalier	4,223	7,018	4,178	29,134	306,093	257,239
Celebrity	0	5,471	2,820	13,648	178,327	162,723
Camaro	0	0	0	8,293	137,143	115,699
Citation	0	0	0	0	28,009	0
Monte Carlo	2,170	2,304	2,178	9,551	86,825	71,897
Chevrolet	0	2,966	0	11,061	162,056	127,707
Corvette	0	704	510	1,548	27,424	16,308
Oldsmobile Total	565	22,099	10,517	72,766	769,016	666,600
Firenza	0	827	0	876	949	23,400
Cutlass Supreme	0	3,233	0	1,020	149,013	84,031
Cutlass Ciera	0	8,328	3,192	28,432	228,526	186,649
88 (rwd)	0	8,029	0	0	159,721	11,749
98 (fwd)	0	0	3,500	27,771	0	212,400
Olds 98	0	1,338	995	5,030	69,883	88,435
Calais	0	3,844	2,157	8,993	92,024	74,919
Toronado	565	500	673	2,657	25,050	13,004
Pontiac Total	0	19,008	7,731	55,540	412,560	406,770
Acadian**	0	197	0	431	8,169	9,864
2000 Sunbird	0	2,543	0	8,220	68,394	84,946
1000	0	669	0	35	19,616	11,792
Firebird	0	42	0	7,380	73,488	70,440
6000	0	1,613	3,083	14,320	92,749	95,596
Parisienne	0	1,448	0	3,310	45,886	41,251
Piero	0	0	0	3,330	69,800	44,332
Grand Am	0	3,506	4,648	21,460	74,017	139,165
HONDA	5,300	3,090	5,109	17,992	98,136	121,333
NISSAN	0	1,296	0	0	15,691	21,517
NUMMI*	3,731	1,650	3,731	18,655	23,407	124,339
VOLKSWAGEN	0	2,456	0	2,984	60,916	50,282
Total Cars, U.S.	76,367	115,481	99,895	512,118	5,190,114	4,927,886
Total Cars, Canada	9,122	12,410	11,031	57,390	633,976	654,181
N. American Cars	85,489	127,891	110,926	569,508	5,833,090	5,582,067
N. American Trucks	63,763	72,307	79,426	308,846	2,639,124	2,724,252
North American Cars and Trucks	149,252	200,198	190,352	878,354	8,472,214	8,306,319

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

CANADIAN CAR	Week Ended Aug. 9 1986	Week Ended Aug. 10 1985	Week Ended Aug. 2 1986	July 1986	Jan. 1 to Aug. 10 1986	Jan. 1 to Aug. 9 1986
AMERICAN MOTORS	0	409	0	0	5,813	2,362
FORD MOTOR	9,122	8,860	10,809	23,018	286,714	315,183
GENERAL MOTORS	0	3,141	0	33,372	322,989	330,186
VOLVO	0	0	225	999	6,460	6,451
Total Cars, Canada	9,122	12,410	11,031	57,390	633,976	654,181

U.S. TRUCK*	Week Ended Aug. 9 1986	Week Ended Aug. 10 1985	Week Ended Aug. 2 1986	July 1986	Jan. 1 to Aug. 10 1986	Jan. 1 to Aug. 9 1986
CHEVROLET	15,230	18,191	21,800	101,992	740,165	741,943
DODGE	2,900	4,014	2,548	16,936	130,038	56,983
FORD	23,241	22,857	28,944	83,285	722,468	697,166
GMC	5,321	6,346	7,048	31,211	228,677	225,369
NAVISTAR	1,620	1,650	1,545	2,199	49,267	43,292
JEEP	0	4,853	0	8,908	123,251	109,302
NISSAN	1,960	2,575	1,813	7,465	63,316	75,236
AM GENERAL*	50	50	50	222	1,540	1,562
MISCELLANEOUS*	2,300	2,000	2,300	10,212	56,893	70,940
Total Trucks, U.S.	52,612	62,646	66,846	262,390	2,114,723	2,190,696

CANADIAN TRUCK	Week Ended Aug. 9 1986	Week Ended Aug. 10 1985	Week Ended Aug. 2 1986	July 1986	Jan. 1 to Aug. 10 1986	Jan. 1 to Aug. 9 1986
AMERICAN MOTORS	900	0	0	3,098	0	17,065
CHRYSLER	7,203	5,804	8,348	15,720	240,907	240,657
FORD	2,988	2,838	3,253	4,259	98,662	98,000
GENERAL MOTORS	0	1,007	2,797	22,893	177,253	172,031
NAVISTAR	160	212	182	516	7,579	5,803
Total Trucks, Canada	11,151	9,861	12,580	46,456	524,401	533,556
N. American Trucks	63,763	72,307	79,426	308,846	2,639,124	2,724,252

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.